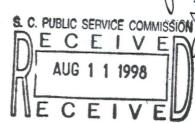
PaeTec Communications, Inc. 290 Woodcliff Drive Fairport, New York 14450



August 10, 1998

Gary E. Walsh Acting Executive Director South Carolina Public Service Commission 111 Doctors Circle Columbia, South Carolina 29203 S. C. PUBLIC SERVICE COMMISSION

Via Federal Express

Figure 1 2 1993

Figure 1 2 1993

Figure 1 2 1993

Figure 1 2 1993

Re:

Application of PaeTec Communications, Inc. for Authority to Operate as a Reseller of Telecommunications Services within the State of South Carolina

Dear Mr. Ballentine:

Enclosed please find for filing an original and five (5) copies of the Application of PaeTec Communications, Inc. for Authority to Operate as a Reseller of Telecommunications Services within the State of South Carolina.

Please return the enclosed copy of this letter in the envelope provided. If you have any questions, please contact me at (716) 340-2500.

Very truly yours,

PaeTec Communications, Inc.

J. T. Ambrosi

Manager of Regulatory Affairs

enclosures

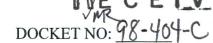
cc: Daniel J. Venuti, Esq.





BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF SOUTH CAROLINA

RE: APPLICATION OF PAETEC COMMUNICATIONS, INC.)
FOR AUTHORITY TO OPERATE AS A RESELLER OF)
TELECOMMUNICATIONS SERVICES WITHIN THE)
STATE OF SOUTH CAROLINA)



AUG 1.1 1998



APPLICATION AND REQUEST

PaeTec Communications, Inc. (hereinafter "Applicant") hereby files this verified application before the South Carolina Public Service Commission pursuant to its requirement for a Certificate of Public Convenience and Necessity to operate as a reseller of telecommunications services within the State of South Carolina and in support thereof states the following:

- 1. Applicant's legal name is PaeTec Communications, Inc. and its state of incorporation is Delaware. Certificate of Authorization to transact business in South Carolina is attached (Exhibit 1).
- 2. The principal business address and telephone number of the applicant is:

PaeTec Communications, Inc. 290 Woodcliff Drive Fairport, New York 14450 (716) 340-2500

3. Any question, notice, orders, correspondence or communication regarding this application should be directed to:

J. T. Ambrosi Manager of Regulatory Affairs 290 Woodcliff Drive Fairport, New York 14450 (716) 340-2500 - Phone (716) 385-5634 - Fax

- 4. The list of officers and directors of PaeTec Communications, Inc. is attached as Exhibit 2.
- 5. PaeTec Communications, Inc. is a newly formed corporation which began operations in May of 1998. Financial statements as of June 30, 1998 are attached as Exhibit 3.
- 6. A proposed tariff is enclosed with this application (Exhibit 4). The tariff contains a description of services to be provided, all rules and regulations applicable to such services, and proposed rates for such services.

- 7. By this application, PaeTec Communications, Inc. hereby asserts its willingness and ability to comply with all the rules and regulations that the Commission may lawfully impose upon Applicant's provision of service contemplated by this application.
- 8. Upon Commission request, Applicant is prepared to answer questions or present additional testimony or other evidence regarding its services within the state.

WHEREFORE, PaeTec Communications, Inc. hereby prays that the South Carolina Public Service Commission grants its authority to provide interexchange telecommunications services within the State of South Carolina.

Richard E. Ottalagana

Richard E. Ottalagana Executive Vice President

PaeTec Communications, Inc.

(716) 340-2500

(716) 385-5634 - Fax

VERIFICATION OF APPLICANT

I, Richard E. Ottalagana, Executive Vice President of PaeTec Communications, Inc., a Delaware corporation, the applicant for a Certificate of Public Convenience and Necessity from the Public Service Commission of the State of South Carolina, verify that I have read the statements in the foregoing application, and I declare that they are true and correct.

Richard E. Ottalagana
Executive Vice President
PaeTec Communications, Inc.

Sworn to before me this day of August, 1998.

Notary Public

KAREN F. FERRINI
Notary Public, State of New York
No. 476553
Qualified in Monroe County 98

LIST OF ATTACHMENTS

Exhibit 1 – Certificate of Authority

Exhibit 2 – Officers and Directors

Exhibit 3 - Financial Statements

Exhibit 4 - Proposed Tariff

The State of South Carolina



Office of Secretary of State Jim Miles Certificate of Authorization

I, Jim Miles, Secretary of State of South Carolina Hereby certify that:

PAETEC COMMUNICATIONS, INC.,

a corporation duly organized under the laws of the state of **DELAWARE** and issued a certificate of authority to transact business in South Carolina on **June 24th, 1998**, has on the date hereof filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the Corporation that its authority to transact business in South Carolina is subject to being revoked pursuant to Section 33-15-310 of the 1976 South Carolina Code, and no application for surrender of authority to do business in South Carolina has been filed in this office as of the date hereof.

Given under my Hand and the Great Seal of the State of South Carolina this 24th day of June, 1998.

David M. Beasley, Governor

Jim Miles, Secretary of State

Exhibit 2

PaeTec Communications, Inc. 290 Woodcliff Drive Fairport, NY 14450 716-340-2500

Directors

Arunas A. Chesonis 18 Buckthorn Run Victor, NY 14564

Bradford M. Bono 5 Bromley Court Voorhees, NJ 08043

Richard E. Ottalagana 965 Strong Road Victor, NY 14564

Officers

Arunas A. Chesonis President, Chairman and CEO 18 Buckthorn Run Victor, NY 14564

Richard E. Ottalagana Executive Vice President and Treasurer 965 Strong Road Victor, NY 14564

Richard J. Padulo

Executive Vice President - Engineering & Operations
1650 Brooks Avenue
Rochester, NY 14624

Daniel J. Venuti Executive Vice President, Secretary and General Counsel 106 Huntshill Road Solvay, NY 13209

Timothy J. Bancroft Vice President — Finance 35 Little Spring Run Fairport, NY 14450 John Baron 116 Selbourne Chase Fairport, NY 14450

Joseph D. Ambersley 4007 Wesf Mādura Road Gulf Breeze, FL 32561

Edward J. Butler, Jr. 12 Kingsview Court Williamsville, NY 14221

Edward J. Butler, Jr.
President – Wholesale Markets
12 Kingsview Court
Williamsville, NY 14221

Bradford M. Bono
President — PaeTec East
5 Bromley Court
Voorhees, NJ 08043

Joseph D. Ambersley President – PaeTec South 4007 West Madura Road Gulf Breeze, FL 32561

John Baron President – PaeTec North 116 Selbourne Chasé Fairport, NY 14450

Exhibit 3 PAETEC COMMUNICATIONS BALANCE SHEET

PERIOD ENDING:

¥

June 30, 1998

ASSETS		FOR PROC
CURRENT ASSETS		P 77
CASH	603,165.49	ř
PREPAID EXPENSES	5,392.58	유
TOTAL CURRENT ASSETS		608,558.070
		SING
FIXED ASSETS		5
OFFICE EQUIPMENT/FURNITURE	120,189.73	ī
ACCUMULATED DEPRECIATION	(3,848.00)	20
ORGANIZATION	38,595.70	2019
ACCUMULATED AMORTIZATION	(1,287.00)	_
TOTAL FIXED ASSETS		153,650.43
	•	153,650.43ec e m be
OTHER ASSETS		E E
SECURITY DEPOSIT	8,627.50)er
TOTAL OTHER ASSETS		8,627.50 <u>~</u>
MOM3 T. 3 CCTTC		
TOTAL ASSETS		770,836.00
		========
LIABILITIES		>
CURRENT LIABILITIES		AM -
ACCOUNTS PAYABLE	7,183.70	1
ACCRUED PAYROLL	97,582.73	SC
TOTAL CURRENT LIABILITIES	91,562.73	104 766 430
TOTAL COMMI HIADIHITES		104,766.43ഗ്
LONG TERM LIABILITIES		1
SHARĒHOLDERS' LOANS	903,371.15	1 0
TOTAL LONG TERM LIABILITIES	203,371.13	903,371.15
, some none this himilities		4
TOTAL LIABILITIES		1,008,137.58
		2,000,137.35-
CAPITAL		1
CURRENT PERIOD EARNINGS	(237,301.58)	P _ξ
TOTAL CAPITAL		(237,301.58)
TOTAL LIABILITIES & CAPITAL		770,836.000
		=========

PAETEÇ COMMUNICATIONS INÇOME STATEMENT CONSOLIDATED STATEMENT

PERIOD ENDING:

June 30, 1998

	CURRENT	왕	YEAR-TO-DATE	%
INCOME				
INCOME INTEREST ÎNCOME	846.90	100.0	846.90	100.0
TOTAL INCOME	846.90	100.0	846.90	100.0
EXPENSES				•
PAYROLL	188,299.24	***	188,299.24	***
PAYROLL TAXES	12,620.64	***	12,620.64	***
DUES AND FEES	395.00	46.6	395.00	46.6
ÍNSURANCE	2,940.70	347.2	2,940.70	347.2
RENT AND UTILITIES	10,785.16	***	10,785.16	***
TELEPHONE	570.40	67.4	570.40	67.4
MAINTENANCE	200.00	23.6	200.00	23.6
OFFICE SUPPLIES & POSTA	2,507.61	296.1	2,507.61	296.1
COMPUTER SUPPLIES	409.99	48.4	409.99	48.4
TRAVEL-HOTEL	730.28	86.2	730.28	86.2
TRAVEL-TRANSPORTATION	1,601.50	189.1	1,601.50	189.1
MEALS AND ENTERTAINMENT	750.37	88.6	750.37	88.6
CONFERENCES AND MEETING	6,417.00	757.7	6,417.00	757. 7
EMPLOYEE MEALS	863.89	102.0	863.89	102.0
ACCOUNT DEVELOPMENT	59.00	7.0	59.00	7.0
CREDIT & COLLECTIONS	650.00	76.8	650.00	76.8
SALES EAST	3,212.70	379.3	3,212.70	379.3
AMORTIZATION	1,287.00	152.0	1,287.00	152.0
DEPRĒCIATION	3,848.00	454.4	3,848.00	454.4
TOTAL EXPENSES	238,148.48	***	238,148.48	***
OPERATING INCOME (LOSS)	(237,301.58)	***	(237,301.58)	***
NET INCOME (LOSS)	(237,301.58)	***	(237,301.58)	***
	=======================================		=======================================	

See Accountant's Compilation Report.

Exhibit 4

TITLE SHEET

RESALE TELECOMMUNICATIONS SERVICES

This tariff applies to the resold long distance interexchange telecommunications services furnished by PaeTec Communications, Inc. ("Carrier") between one or more points in the State of South Carolina. This tariff is on file with the South Carolina Public Service Commission, and copies may be inspected, during normal business hours, at Carrier's principal place of business, 290 Woodcliff Drive, Fairport, New York 14450.

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

CHECK SHEET

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>SHEET</u>	REVISION	SHEET	REVISION
1	Original	18	Original
2	Original	. 19	Óriginal
3	Original	20	Original
4	Original	21	Original
5	Original	22	Original
6 7	Original	23	Original
7	Óriginal	24	Original
8	Original	25	Original
9	Original	26	Original
10	Original	27	Original
11	Original	28	Original
12	Original	29	Original
13	Origiņal	30	Original
14	Original	31	Original
15	Original	32	Original
16	Original	33	Original
17	Original		-

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

TABLE OF CONTENTS

Title	e Si	heet
-------	------	------

Check Sheet
Table of Contents
Symbols
Tariff Format
Section 1 - Technical Terms and Abbreviations
Section 2 - Rules and Regulations
Section 3 - Description of Services
Section 4 - Rate Schedule

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

TARIFF FORMAT (Cont'd)

- C. <u>Paragraph Numbering Sequence</u> There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
 - 2. 2.1. 2.1.1. 2.1.1.A. 2.1.1.A.1. 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. <u>Check Sheets</u> When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS

<u>Access Line</u> - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Subscriber's location to Carrier's location or switching center.

<u>Authorization Code</u> - A numerical code, one or more of which may be assigned to a Subscriber, to enable Carrier to identify the origin of service User so it may rate and bill the call. All authorization codes shall be the sole property of Carrier and no Subscriber shall have any property or other right or interest in the use of any particular authorization code. Automatic numbering identification (ANI) may be used as or in connection with the authorization code.

<u>Automatic Numbering Identification (ANI)</u> - A type of signaling provided by a local exchange telephone company which automatically identifies the local exchange line from which a call originates.

<u>Calling Card</u> - A postpaid or prepaid calling card issued by Carrier which allows Subscribers and/or Users to make telephone calls and charge the calls to a postpaid or prepaid account. Calls charged to a Carrier-issued postpaid Calling Card will appear on the Subscriber's regular monthly bill. Calls charged to a Carrier-issued prepaid Calling Card will be charged against the debit account.

Carrier or Company - Refers to PaeTec Communications, Inc.

Commission - Refers to the South Carolina Public Service Commission.

<u>Common Carrier</u> - A company or entity providing telecommunications services to the public.

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS (Cont'd)

<u>Local Access and Transport Area</u> (<u>LATA</u>) - The term "Local Access Transport Area" denotes a geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192, within which a local exchange company provides communications services.

<u>Measured Charge</u> - A charge assessed on a per minute basis in calculating a portion of the charges due for a completed interexchange call.

<u>Subscriber/Customer</u> - The person or legal entity which enters into arrangements for Carrier's telecommunications services and is responsible for payment of Carrier's services.

<u>Telecommunications</u> - The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, metering, or other similar communications.

<u>Term</u> - The timeframe by which the Subscriber agrees to be served by the Carrier.

<u>User</u> - The person(s) utilizing Carrier's services.

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

SECTION 2. RULES AND REGULATIONS

2.1 Application of Tariff

- 2.1.1 This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by Carrier for telecommunications between points within the State of South Carolina. Carrier's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff.
- 2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by Carrier and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of Carrier.
- 2.1.3 The Subscriber is entitled to limit the use of Carrier's services by Users at the Subscriber's facilities, and may use other common carriers in addition to or in lieu of Carrier.
- 2.1.4 At the Option of the Company, service may be offered on a contract basis to meet specialized requirements of the Customer not contemplated in this tariff as approved by the South Carolina Public Service Commission. The terms of each contract shall be mutually agreed upon between the Customer and Company and may include discounts off of rates contained herein, waiver of recurring or nonrecurring charges, charges for specially designed and constructed services not contained in the Company's general service offerings, or other customized features. The terms of the contract may be based partially or completely on the term and volume commitment, type of originating or terminating access, mixture of services or other distinguishing features. Service shall be available to all similarly situated Customers for a fixed period of time following the initial offering for the first contract Customer as specific in each individual contract.

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drivė

2.2 Use of Services

- 2.2.1 Carrier's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.
- 2.2.2 The use of Carrier's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.
- 2.2.3 The use of Carrier's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 Carrier's services are available for use twenty-four (24) hours per day, seven (7) days per week.
- 2.2.5 Carrier does not transmit messages pursuant to this tariff, but its services may be used for that purpose.
- 2.2.6 Carrier's services may be denied for nonpayment of charges or for other violations of this tariff.
- 2.2.7 Carrier's services may be denied for any use by Customer which is illegal, or poses an undue risk or liability to Carrier, or is obtained through fraud or wilful misrepresentation.

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

2.3 Liability of Carrier

- 2.3.1 Except as otherwise stated in this section, the liability of Carrier for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services, or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.5.
- 2.3.2 Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.5, Carrier shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.
- 2.3.3 The liability of Carrier for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive



2.3 Liability of Carrier (Cont'd)

- 2.3.4 Carrier shall not be liable for any claims for loss or damages involving:
 - A. Any act or omission of: (1) the Customer, (2) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by Carrier; or (3) common carriers or warehousemen;
 - B. Any delay or failure of performance or equipment due to causes beyond Carrier's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against Carrier; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
 - C. Any unlawful or unauthorized use of Carrier's facilities and services;

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

2.3 Liability of Carrier (Cont'd)

- 2.3.4 D. Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Carrier-provided facilities or services; or by means of the combination of Carrier-provided facilities or services with Customer-provided facilities or services;
 - Breach in the privacy or security of communications transmitted over E. Carrier's facilities:
 - F. Changes in any of the facilities, operations or procedures of Carrier that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by Carrier and is not provided to the Customer, in which event Carrier's liability is limited as set forth in subsection 2.3.1 of this Section 2.3.
 - G. Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

2.3 <u>Liability of Carrier</u> (Cont'd)

- 2.3.4 H. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to Carrier's facilities;
 - I. Any intentional, wrongful act of a Carrier employee when such act is not within the scope of the employee's responsibilities for Carrier and/or is not authorized by Carrier;
 - J. Any representations made by Carrier employees that do not comport, or that are inconsistent, with the provisions of this tariff;
 - K. Any act or omission in connection with the provision of 911, E911, or similar services involving emergencies;
 - L. Any noncompletion of calls due to network busy conditions;
 - M. Any calls not actually attempted to be completed during any period that service is unavailable.

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

2.3 Liability of Carrier (Cont'd)

- 2.3.5 Carrier shall be indemnified, defended and held harmless by the Customer or end user from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Carrier or Customer equipment or facilities or service provided by Carrier.
- 2.3.6 Carrier does not guarantee nor make any warranty with respect to installations Provided by it for use in an explosive atmosphere. Carrier shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service.

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

2.3 Liability of Carrier (Cont'd)

- 2.3.7 Carrier assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if Carrier has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or nonpreémptibility as may be provided by the other entities.
- 2.3.8 Any claim of whatever nature against Carrier shall be deemed conclusively to have been waived unless presented in writing to Carrier within thirty (30) days after the date of the occurrence that gave rise to the claim.
- 2.3.9 CARRIER MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

Issued: August 11, 1998

Effective:

Richard E. Ottalagana, Executive Vice President Issued by:

PaeTec Communications, Inc.

290 Woodcliff Drive

2.4 Responsibilities of the Subscriber

- 2.4.1 The Subscriber is responsible for placing any necessary orders; for complying with tariff regulations; for the placement of any stickers or tent cards provided by Carrier or as required by law; and for assuring that Users comply with tariff regulations. The Subscriber shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to services provided or made available by the Subscriber to Users. The Subscriber is also responsible for the payment of charges for calls originated at the Subscriber's numbers which are not collect, third party, calling card, or credit card calls.
- 2.4.2 The Subscriber is responsible for charges incurred for special construction and/or special facilities which the Subscriber requests and which are ordered by Carrier on the Subscriber's behalf.
- 2.4.3 If required for the provision of Carrier's services, the Subscriber must provide any equipment space, supporting structure, conduit and electrical power without charge to Carrier.

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

ACCEPTED FOR PROCESSING - 2019 December 10 10:24 AM - SCPSC - 1998-404-C - Page 26 of 43

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber (Cont'd)

- 2.4.4 The Subscriber is responsible for arranging access to its premises at times mutually agreeable to Carrier and the Subscriber when required by Carrier personnel to install, repair, maintain, program, inspect or remove equipment with the provision of Carrier's services.
- 2.4.5 The Subscriber shall ensure that the equipment and/or system is properly interfaced with Carrier facilities or services, that the signals emitted into Carrier's network are of the proper mode, bandwidth, power, and signal level for the intended use of the Subscriber and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Subscribers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Carrier will permit such equipment to be connected with its channels without use of protective interface devices.

If the Subscriber fails to maintain the equipment and/or the system properly, with resulting imminent harm to Carrier equipment, personnel, or the quality of service to other Subscribers, Carrier may, upon written notice, require the use of protective equipment at the Subscriber's expense. If this fails to produce satisfactory quality and safety, Carrier may, upon written notice, terminate the Subscriber's service.

Issued: August 11, 1998

Effective:

Issued by:

Richard E. Ottalagana, Executive Vice President

PaeTec Communications, Inc.

290 Woodcliff Drive

- 2.4 Responsibilities of the Subscriber (Cont'd)
 - 2.4.6 The Subscriber must pay Carrier for replacement or repair of damage to the equipment or facilities of Carrier caused by negligence or willful act of the Subscriber, Users, or others, by improper use of the services, or by use of equipment provided by the Subscriber, Users, or others.
 - 2.4.7 The Subscriber must pay for the loss through theft of any Carrier equipment installed at Subscriber's premises.
 - 2.4.8 The Subscriber is responsible for payment of the charges set forth in this tariff.
 - 2.4.9 The Subscriber is responsible for compliance with the applicable regulations set forth in this tariff.
 - 2.4.10 The Subscriber shall indemnify and save Carrier harmless from all liability disclaimed by Carrier as specified in Section 2.3 above, arising in connection with the provision of service by Carrier, and shall protect and defend Carrier from any suits or claims against Carrier and shall pay all expenses and satisfy all judgments rendered against Carrier in connection herewith. Carrier shall notify the Subscriber of any suit or claim against Carrier of which it is aware.

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2.5 Cancellation or Interruption of Services

2.5.1 General

- Α. A service is interrupted when it becomes unusable to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by Carrier under this tariff.
- В. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- C. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by Carrier to be impaired.

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2.5 Cancellation or Interruption of Services (Cont'd)

2.5.2 Limitations on Allowances

No credit allowance will be made for any interruption of service:

- A. due to the negligence of, or noncompliance with the provisions of this Tariff by, any person or entity other than Carrier, including but not limited to the Customer or other common carriers connected to the service of Carrier;
- B. due to the failure of power, equipment, systems, or services not provided by Carrier;
- C. due to circumstances or causes beyond the control of Carrier;
- during any period in which Carrier is not given full and free access to its D. facilities and equipment for the purposes of investigating and correcting interruptions;
- E. during any period in which the Customer continues to use the service on an impaired basis;

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2.5 <u>Cancellation or Interruption of Services</u> (Cont'd)

2.5.2 Limitations on Allowances (Cont'd)

- F. during any period when the Customer has released service to Carrier for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- G. that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- H. that was not reported to Carrier within thirty (30) days of the date that service was affected.

2.5.3 Application of Credits for Interruptions of Service

Credits for interruptions of service, for which charges are specified on the basis of per minute of use, or on the usage of a fraction of a minute, shall in no event exceed an amount equal to the initial period charge provided for under this tariff.

2.6 <u>Discontinuance of Service for Cause</u>

- 2.6.1 Without incurring liability, the Company may discontinue the provision of service to a Customer or to a particular Customer location, or may withhold the provision of ordered or contracted services in accordance with the requirements of South Carolina PSC rules and regulations:
 - A. For nonpayment of any sum due to the Company for more than thirty (30) days after issuance of the bill for the amount due;
 - B. For violation of any of the provisions of this tariff;
 - C. For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over the Company's services; or

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2.6 Discontinuance of Service for Cause (Cont'd)

D. By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting the Company from furnishing its services.

2.7 Billing Arrangements

- 2.7.1 The Subscriber will either be billed directly by Carrier or its intermediary, or charges will be included in the Subscriber's regular telephone bill pursuant to billing and collection agreements established by Carrier or its intermediary with the applicable telephone company.
- 2.7.2 Carrier will render bills monthly. Payment is due within thirty (30) days after the Subscriber's receipt of its bill.
- 2.7.3 Carrier may impose a late payment charge not to exceed 1.5% on any bill not paid within thirty (30) days of the receipt, which charge may only be assessed on outstanding balance. The Subscriber shall be responsible for all costs, including attorney's fees, incurred in the collection of unpaid charge or in any other action to enforce payments and/or obligations arising under this tariff. A charge of up to twenty dollars (\$20.00) may be imposed for returned checks.
- 2.7.4 Billing will be conducted in accordance with the requirements of South Carolina PSC Regulations.

2.8 <u>Minimum Use Contracts</u>

2.8.1 The Company may offer services which require a minimum use guarantee ("MUG") wherein the Subscriber agrees, in writing, to pay the minimum amount per period agreed to upon commencement of service. Subscribers falling below their MUG will be billed for the minimum amount due per period pursuant to the MUG agreement.

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2.8 <u>Minimum Use Contracts</u> (Cont'd)

- 2.8.2 Should the Subscriber choose to terminate their contract prior to expiration of the term agreed to in the MUG agreement, the Subscriber will be liable for the minimum usage requirements contained in the contract multiplied by the number of months remaining in the term, unless Subscriber converts to another Company service with equal or greater term and minimum usage commitments. If no minimum usage requirements are specified in the contract, upon any early termination of Subscriber's contract, Subscriber will be liable for their monthly average usage (calculated over the last three full months immediately preceding the date of termination) multiplied by the number of months remaining in the term.
- 2.8.3 The initial contract period for service under this section is one month. Subsequent contract periods shall be for additional one-month periods unless otherwise specified.

2.9 Validation of Credit

Carrier reserves the right to validate the credit worthiness of Subscribers or Users.

2.10 Contested Charges

All bills are presumed accurate, and shall be absolutely binding on the Subscriber unless objection is received by Carrier within thirty (30) days after such bills are rendered. In the case of a billing dispute between the Subscriber and Carrier for service furnished to the Subscriber, which cannot be settled with mutual satisfaction, the Subscriber can take the following course of action within thirty (30) days of the billing date:

2.10.1 First, the Subscriber may request, and Carrier will provide, an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnect.)

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2.10 <u>Contested Charges</u> (Cont'd)

2.10.2 Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of Carrier, the Subscriber may file an appropriate complaint with the South Carolina Public Service Commission. The Commission's address is:

Consumer Services Dept. P.O. Drawer 11649 Columbia, South Carolina 29211 (800) 922-1520

2.11 Billing Entity Conditions

When billing functions on behalf of Carrier are performed by local exchange telephone companies, or others, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charge conditions.

2.12 <u>Deposits</u>

The Carrier does not require deposits.

2.13 Taxes

All federal excise taxes, and State and local sales, use, and similar taxes, are billed as separate items and are not included in the quoted rates. Gross receipts tax will not be billed as a separate line item.

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Minimum Call Completion Rate 2.14

Carrier will ensure an industry standard blocking rate no greater than P.01.

Promotions 2.15

Carrier may from time to time offer promotional services.

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SECTION 3 - DESCRIPTION OF SERVICES

3.1 General

Carrier provides resold interexchange telecommunications services, including direct-dialed message telecommunications services (MTS), and 800/888/877 service. Calls are rated based on the duration of the call. Services are available twenty-four (24) hours a day, seven days a week. Carrier does not charge for service on a mileage basis.

3.2 Charges Based on Duration of Use

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- 3.2.1 Calls are measured in durational increments identified for each service. All calls which are fractions of a measurement increment are rounded up to the next whole unit.
- 3.2.2 Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s).
- 3.2.3 Timing terminates on all calls when the calling party hangs up or the Company's network receives an on-hook signal from the terminating carrier.
- 3.2.4 Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- 3.2.5 All times refer to local times.
- 3.2.6 Rates are not distance sensitive. As such, unless otherwise indicated, mileage bands are not applicable to the services offered, except as noted in Section 3.1 above.
- 3.2.7 Unless otherwise indicated, rates do not vary depending upon day or the time of day (Day, Evening, and Night/Weekend).

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SECTION 3 - DESCRIPTION OF SERVICES (Cont'd)

3.2 <u>Charges Based on Duration of Use</u> (Cont'd)

- 3.2.8 Each call is rated and billed in whole cents according to the following conventions:
 - D. Commercial. For services offered by Carrier, any rated call with a fraction of a cent less than \$0.005, will be rounded down to the nearest whole cent with no call rated at less than \$0.01. Any rated call with a fraction of a cent \$0.005 or greater, will be rounded up to the nearest whole cent.
 - E. Residential. Calls made using any service offered to residential Subscribers will be rounded up to the nearest cent at the termination of a call.
 - F. Exceptions. Special rounding arrangements may be made through contractual arrangements.

3.3 <u>Product Descriptions</u>

3.3.1 Commercial Switched Outbound (1+)

Switched outbound services provide direct dialed (1+) long distance services to commercial Subscribers. Subscribers may also access Carrier's services by dialing "10XXX." Subscribers access Carrier's services through switched access origination.

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3.3 Product Descriptions (Cont'd)

3.3.2 Commercial Switched 800/888/877 Inbound

Switched 800/888/877 provides an inbound toll-free calling service to commercial Subscribers. The Subscriber is billed for each toll-free call, rather than the call originator. Calls terminate to the Subscriber via switched access lines.

3.3.3 Commercial Dedicated Outbound (1+)

Dedicated outbound services provide direct dialed (1+) long distance services to commercial Subscribers. Subscribers may also access Carrier's services by dialing "10XXX." Subscribers access Carrier's services through dedicated access origination.

3.3.4 Commercial Dedicated 800/888/877 Inbound

Dedicated 800/888/877 provides an inbound toll-free calling service to commercial Subscribers. Subscriber is billed for each toll-free call, rather than the call originator. Calls terminate to Subscriber via dedicated access lines.

3.3.5 Residential Switched Outbound (1+)

Switched outbound services provide direct dialed (1+) long distance services to residential subscribers. Subscribers may also access Carrier's services by dialing "10XXX." Subscribers access Carrier's services through switched access origination.

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3.3 <u>Product Descriptions (Cont'd)</u>

3.3.6 Residential Switched 800/888/877 Inbound

Switched 800/888/877 provides an inbound toll-free calling service to residential Subscribers. Subscriber is billed for each toll-free call, rather than the call originator. Calls terminate to Subscriber via dedicated access lines.

3.3.7 800/888/877 Travel Card

800/888/877 Travel Card Service provides customers the opportunity to make calls while away from their home or office. Subscribers may access Carrier's services through an 800/888/877 number provided by Carrier.

3.3.8 <u>Directory Assistance</u>

Subscribers may request directory assistance from Carrier.

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SECTION 4 - RATE SCHEDULE

Unless otherwise specified, the following rates are per minute of use as timed by Carrier in seconds.

4.1 Commercial Switched Outbound (1+)

Billing Minimum: Six Seconds
Milling Increments: Six Seconds

Rate: \$0.163

4.2 Commercial Switched Inbound

Billing Minimum: Thirty Seconds
Billing Increments: Six Seconds

Rate: \$0.163

4.3 Commercial Dedicated Outbound

Billing Minimum: Six Seconds
Billing Increments: Six Seconds

Rate: \$0.0101

4.4 Commercial Dedicated 800/888/877 Inbound

Billing Minimum: Thirty Seconds
Billing Increments: Six Seconds

Rate: \$0.080

4.5 <u>Residential Switched Outbound (1+)</u>

Billing Minimum: One Minute Billing Increments: One Minute

Rate: \$0.190

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4.6 Residential Switched 800/888/877 Inbound

Billing Minimum: One Minute Billing Increments: One Minute

Rate: \$0.190

4.7 800/888/877 Travel Card Service

Commercial Billing

Billing Minimum: Thirty Seconds Billing Increment: Six Seconds

Rate: \$ 0.20

Residential Billing

Billing Minimum: One Minute Billing Increment: One Minute

Rate: \$ 0.20

4.8 **Directory Assistance**

Rate: \$ 0.75 per request

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4.9 <u>Presubscribed Interexchange Carrier Charge ("PIĈC")</u>

Presubscribed Interexchange Carrier Charges are neither contributory to nor eligible to receive discounts nor are they eligible to contribute to meeting minimum monthly usage requirements. This charge applies on a monthly basis to all Customer monthly bills. The application of this charge is subject to billing availability. Only one PICC will be applied per line.

4.9.1 Residential Customers

- A. Non-Primary Lines A PICC of \$1.50 applies to each non-primary residential line presubscribed to the Company as the primary interexchange carrier where the Company can determine that the Customer has more than one line.
- B. Primary A PICC of \$0.53 applies to each primary residential line presubscribed to the Company as the primary interexchange carrier.

4.9.2 Business Customers

- A. Single Line A PICC of \$0.53 applies to each line presubscribed to the company as the primary interexchange carrier where the Company can determine that the Customer has only one line.
- B. Centrex Lines A PICC of \$0.31 applies to each Centrex line presubscribed to the Company as the primary interexchange carrier where the Company can determine that the Customer accesses the Company via a Local Exchange Carrier-provided Centrex line.

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- 4.9 <u>Presubscribed Interexchange Carrier Charge ("PICC")</u> (Cont'd)
 - 4.9.2 Business Customer (Cont'd)
 - C. All Other Lines A PICC of \$2.75 applies to each line presubscribed to the Company as the primary interexchange carrier for all other Customers of the Company's business services.

4.9.3. ISDN Lines

- A. BRI-ISDN Lines A PICC of \$1.50 applies to each line presubscribed to the Company as the primary interexchange carrier where the Company can determine that the Customer accesses the Company via a local exchange carrier-provided Basic Rate Interface Integrated Services Digital Network line.
- B. PRI-ISDN Lines A PICC of \$13.75 applies to each line presubscribed to the Company as the primary interexchange carrier where the Company can determine that the Customer accesses the Company via a Local Exchange Carrier-provided Primary Rate Interface Integrated Services Digital Network line.

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4.10 Public Pay Telephone Surcharge

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan, effective October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all intrastate, interstate, and international calls that originate from any domestic pay telephone used to access Company services. This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with service, applies for the use of the instrument used to access Company service and is unrelated to the Company service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (i.e., using the # symbol).

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Per Call Charge:

\$0.35

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